

HIGHLINE ELECTRIC ASSOCIATION

The Beacon

NOVEMBER 2022



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Our mission is to provide our members with reliable, high-quality electricity and other needed services, which will improve their economic and social well-being and provide significant long-range benefits for our communities, our state and our nation.

HEA OFFICE HOURS

Holyoke: M-F | 7:30 a.m.- 4:30 p.m.

Sterling: M-F | 8 a.m.-4:30

Ovid: M-Th | 9 a.m.-1 p.m.

HIGHLINE ELECTRIC ASSOCIATION
IS AN EQUAL OPPORTUNITY
PROVIDER AND EMPLOYER



Touchstone Energy®

OUTLOOK ON RATES

Is there going to be a rate increase? That's the question I get asked more than any other this time of year. While it's early in the budget process and the answer to that question isn't yet final, I feel comfortable in sharing some good news and predicting that Highline Electric Association won't have a rate increase for 2023. The outlook over the next few years, however, isn't as good.

While Highline is experiencing inflationary pressure on all our expenses, the biggest driver in Highline's budget is our wholesale cost of power. It represents over 70% of our total expenses. Tri-State Generation and Transmission Association is Highline's wholesale power provider. Tri-State became subject to rate regulation by the Federal Energy Regulatory Commission over the last few years. This rate regulation has altered the time frame that it takes for Tri-State to implement a rate increase.

Prior to regulation by FERC, Tri-State would prepare a budget in the fall and implement a rate increase, if necessary, by January of the subsequent year. While Tri-State has not completed its budget process for 2023, the indications are that it will need to implement a rate increase. The factors putting pressure on Tri-State's financials include inflationary pressures not unlike we all are experiencing.

One such inflationary pressure is the cost of natural gas used for generation. This increase is due to the war in Ukraine in addition to other causes. Another major factor influencing Tri-State's financials is the increased costs associated with the early retirement of generation assets. Tri-State has an obligation to reclaim generation sites



DENNIS HERMAN

at the end of their life. The estimated cost of reclamation is accrued over the useful life of the plant. The accelerated accrual of these costs is necessary when a decision is made to retire a plant early and results in cost pressure on their financials.

While Tri-State's budget is indicating the need for a rate increase, we know that an increase won't be implemented until November 2023 under the FERC timeline. The 10-month delay in the implementation of a rate increase gives Highline enough breathing room to get through 2023 without the need to increase rates.

The outlook for 2024 is less clear at this time and depends on the magnitude of the rate increase from Tri-State as well as the outcome of a Tri-State rate design discussion that is currently underway. Depending on the outcome of the rate design process, Highline's load profile could result in a wholesale rate increase that is larger than the average increase for all of Tri-State's members.

The combination of these factors could result in a wholesale rate increase in November 2023 that is substantial. The good news is that Highline has a deferred revenue account that can — and will — be used, if needed, to dampen the impact of this wholesale increase. My best guess today is that we may have to implement a moderate rate increase that goes into effect in 2024 with another rate increase in 2025 to cover the wholesale increase that is likely coming our way. But more on that next fall.



Congratulations to the following HEA employees who observe an employment anniversary in November:

Chris McKay, 16

Eric Luedke, 9

Megan Wagoner, 1

STAY SAFE OUT ON THE

HUNT

Take precautions to stay safe on your next hunting expedition.



Know the signs of a heart attack or other life-threatening condition.



Have a way to get in touch with the outside world.

Always implement firearm safety techniques.



Do not lean a tree stand against a utility pole.

Do not fire at power lines, insulators or conductor cans.



Carry a first aid kit.

Check the weather in advance and be prepared.

Check tree stands regularly for stability.

Survey the area for potential electrical hazards.



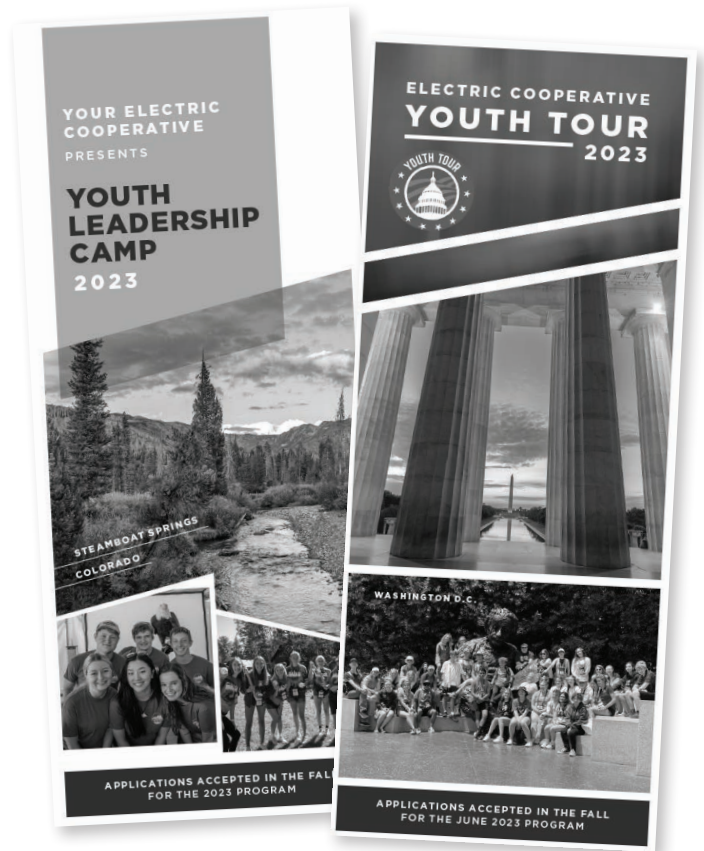
Be visible: Wear blaze orange.

Learn more at:



STUDENTS: YOU COULD WIN A TRIP OF A LIFETIME

Each year Highline Electric Association sponsors two all-expenses-paid trips for two students to attend the Washington D.C. Youth Tour and two students to attend Youth Leadership Camp near Steamboat Springs. To be a lucky winner of one of these awesome experiences, please complete the application submission on our website. Your entry must be received by December 16, 2022. Visit our website at www.heacoop.org/youth to apply.



HAPPY
Thanksgiving

Offices Closed
November 24-25



PARADE OF LIGHTS



▲ 2021 Holyoke Parade of Lights Winners: Melissa Memorial Hospital Foundation Board.

As of this year, the Parade of Lights has been running in Holyoke for 24 years and Sedgwick County for seven years. Highline Electric Association and CHS Grainland are proud to co-sponsor this year's parades again, along with both of the local chambers of commerce.

Over the years, each parade has grown with more participants, spectators and events to draw the community together. Each community comes up with their own activities and events for the evening, including serving chili and hot chocolate, hayrack rides



▲ 2021 Sedgwick County Parade of Lights Winners: Sedgwick County Health Center

and free movies. Even with the challenges that last year posed, the Parade of Lights in Holyoke had 17 float entries and Sedgwick County had 10.

Each year, HEA appreciates the support from our communities for these events. Whether you are a participant or spectator, we thank you for contributing to the success of the parades. We hope you'll join us this year to see who will win the traveling trophies. Watch our website and social media for dates, themes and other information regarding this year's parades.



LOAD CONTROL LETTERS UPDATE

The load control sign-up deadline has been extended to February 28. Letters will now arrive in mailboxes between late December and early January.



Thinking About Energy-Efficiency Improvements?

Save energy. Save dollars.

Investing in energy-efficiency improvements in your home or office can save energy and thus lower your utility bills. It's a win-win.

To help you invest in energy-efficiency projects, Highline Electric Association offers on-bill financing. Apply for a low-interest loan to finance your energy-efficiency projects. Repay that loan monthly over time on your HEA electric bill.

Visit hea.coop or call 800-816-2236 to learn more.

Apply for Co-op Scholarships



Highline Electric Association, Tri-State Generation and Transmission, and Basin Electric Power Cooperative work together to provide 13 scholarships to graduating seniors in our service area. The scholarships range from \$500 to \$1,000. In 2018, Highline's board of directors voted to convert two of Highline's \$1,000 scholarships into renewable status that can be redeemed by the recipient for up to four years if they maintain eligibility criteria. We're excited to be offering these scholarships entirely online. Please visit our website at www.hea.coop/scholarships to apply.

*“There is
no greater gift
for a child
than a book”*



There is no greater gift for a child than the gift of learning from their own books. That's why Highline Electric Association, your Touchstone Energy Cooperative, is excited to help promote Dolly Parton's Imagination Library to residents of Chase, Deuel, Logan, Phillips and Sedgwick Counties and to our youngest co-op members.

The Imagination Library, a book-gifting program administered by the Dollywood Foundation, mails one book each month to children from birth to age five at no cost to the families who register.

At Highline Electric, we believe every child should have the opportunity to succeed and can think of no better start than ensuring the children in our community grow up in homes filled with books that inspire a passion for reading and lifelong learning.

For more details and to learn how to register for the program, please contact your local program administrator:

- Chase County: Beth or Linda,
308.882.4754, youbelong@imperiallibrary.org

- Deuel County: Vicki Fornander,
308.874.2561, vickifornander@gmail.com

- Logan County: Stacey Zink,
970.5262440, ecclps.zink@gmail.com

- Phillips County: Linda Jelden,
970.580.4101, pcfamlyed@yahoo.com

- Sedgwick County: Alan Harris,
970.580.3855, alanharris78@yahoo.com